Grain Transportation Report

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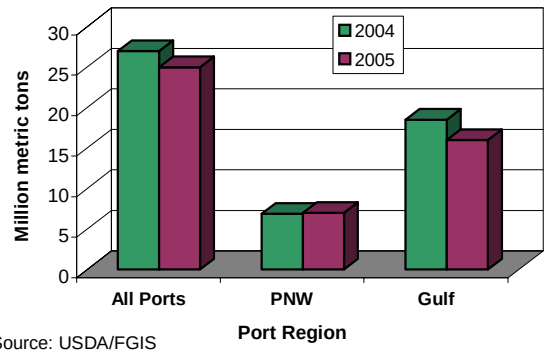
Contents

The next release is July 7, '05

First Quarter Grain Inspections Down, Soybean Inspections Up Increased export competition forced first quarter grain inspections down, according to the Foreign Agricultural Service (FAS). During the first quarter of 2005, total export inspections of U.S. grain (corn, wheat, soybeans) from all U.S. ports were 24.94 million metric tons, a 7 percent decrease compared with 26.71 million metric tons in the first quarter of 2004 (figure 1). First quarter inspections of grain, normally lower than those of the fourth quarter, fell 22 percent from the fourth quarter of 2004, and were 4 percent below the first quarter 5-year average.

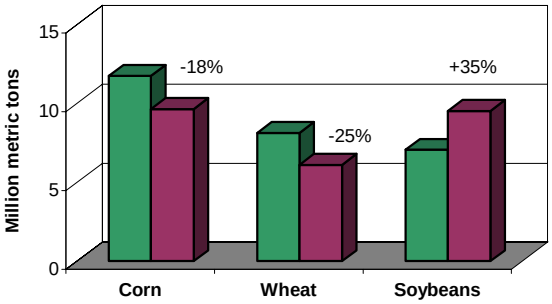
Figure 1- First quarter grain inspected by ports



Source: USDA/FGIS

Although first quarter grain inspections were down for corn and wheat, stronger Asian demand pushed first quarter soybean inspections up considerably from last year (figure 2). Soybean inspections increased 35 percent with soybeans exported from the Pacific Northwest (PNW) increasing 51 percent while those exported from the U.S. Gulf increasing 25 percent. Increased soybean exports are due to stronger Asian demand and smaller crops in other major soybean producing countries (Economic Research Service, Oil crops Outlook, June 13, 2005). However, first quarter 2005 wheat inspections at all ports decreased 25 percent due to a smaller U.S. crop and increased competition from other producers worldwide (FAS). Corn inspected for export dropped 18 percent from the first quarter of last year due to increased exports by other major producers. As the year progresses, however, corn exports are expected to rebound due to smaller crops in China and Argentina (FAS).

Figure 2 - Grain inspected at all U.S. ports, first quarter



Source: USDA/FGIS

In the first quarter, grain exports continued to shift from Gulf ports to PNW ports because of the relatively high spreads between Gulf- and PNW-to-Japan ocean freight rates (Grain Transportation Report, April 14, 2005) and increased Asian demand (FAS). First quarter inspections of total grain at Gulf ports were 15 percent below the 5-year average. Total inspections in the PNW were 27 percent above the 5-year average, at 7.12 million metric tons.

According to FAS, total year-to-date (YTD) grain exports varied depending on the destination. Exports to Japan decreased 7 percent from last year, but increased slightly to Mexico. Total YTD (Jan.-April) grain exports to China increased 57 percent from last year due to larger soybean and wheat shipments. Total YTD soybean exports to the China increased 90 percent from last year.

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Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
06/29/05	157	137	131	207	168
Compared with last week	↑	↑	↑	↓	↑

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads ($/bushel)

Commodity	Origin--destination	6/24/2005	6/17/2005
Corn	IL--Gulf	-0.48	-0.46
Corn	NE--Gulf	-0.61	-0.55
Soybean	IA--Gulf	-0.59	-0.61
HRW	KS--Gulf	-0.75	-0.90
HRS	ND--Portland	-1.36	-1.60

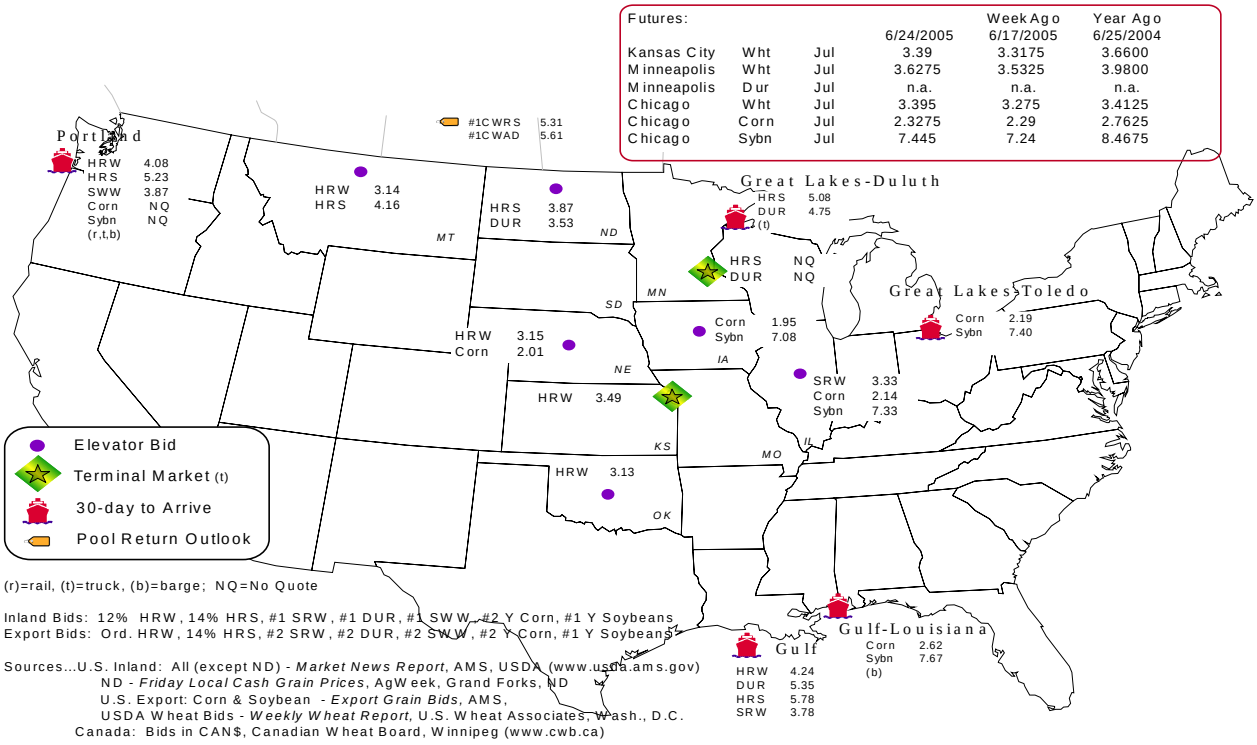
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
06/22/2005[p]	176	961	1,405	3,766	153	6,461
06/15/2005[r]	157	1,434	1,331	3,349	37	6,308
2005 YTD	6,084	40,019	41,817	110,014	7,357	205,291
2004 YTD	4,503	55,412	24,621	105,324	4,068	193,928
2005 as % of 2004	135	72	170	104	181	106
Total 2004	10,475	92,073	67,992	209,625	10,986	391,151
Total 2003**	14,843	88,194	48,805	157,125	20,509	329,476

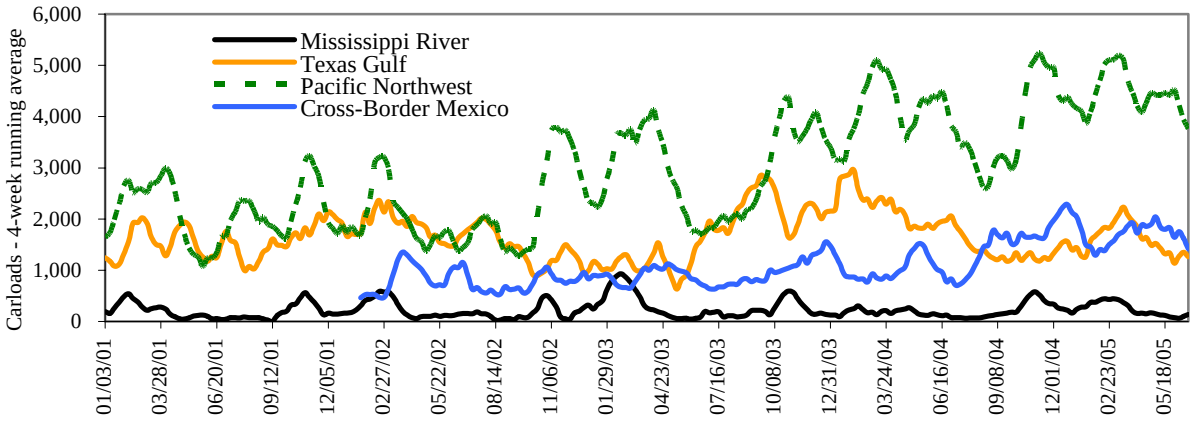
(*) Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Excludes 53rd week;YTD = year-to-date; p = preliminary data; r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

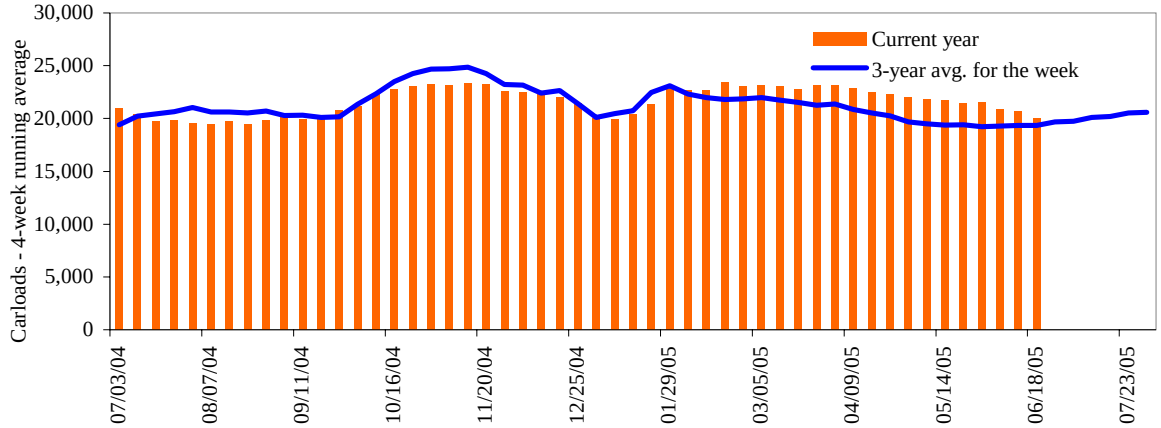
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
06/18/05	2,767	2,885	8,123	533	5,207	19,515	3,504	3,527
This week last year	2,994	3,323	7,863	399	7,278	21,857	4,603	4,493
2005 YTD	71,993	80,179	221,168	14,613	144,019	531,972	101,228	95,782
2004 YTD	70,006	78,765	215,918	11,816	159,953	536,458	112,711	90,275
2005 as % of 2004	103	102	102	124	90	99	90	106
Total 2004	142,206	169,650	458,587	27,618	327,510	1,125,571	237,664	210,060

Source: Association of American Railroads (www.aar.org); YTD = year-to-date

Table 5--Rail car auction offerings, week ending 6/25/05 ($/car)*

Delivery for:	Aug. 05	Sep. 05	Oct. 05
BNSF[1]			
COT/N. grain	no offer	no offer	no offer
COT/S. grain	no offer	no offer	no offer
UP[2]			
GCAS/Region 1	no bid	no offer	no offer
GCAS/Region 2	$1	no offer	no offer

*Average premium/discount to tariff, last auction

[1]BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

[2]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

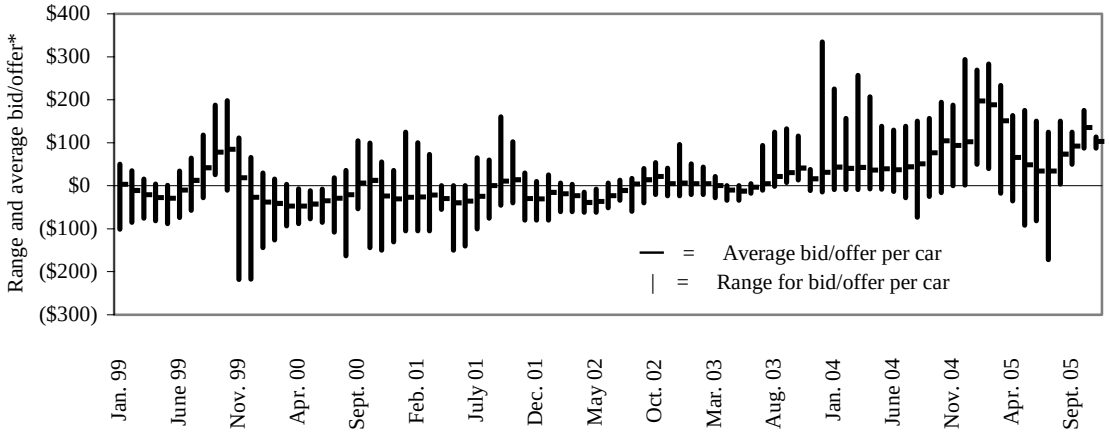
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service or tariff for nonguaranteed service or through the secondary market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 6/25/05 ($/car)*

	Delivery period			
	Aug-05	**Sep-05**	**Oct-05**	**Nov-05**
BNSF-GF	$75	$113	$143	$113
Change from last week	$37	$25	$25	$13
UP-Pool	$9	$113	$175	n/a
Change from last week	$1	$50	$50	n/a

*Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date: 6/6/2005	Origin region	Destination region	Rate/car	Rate/metric ton	Rate/bushel**
Unit train*					
Wheat	Chicago, IL	Albany, NY	$1,861	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,020	$22.27	$0.61
	South Central, KS	Galveston, TX	$2,335	$25.74	$0.70
	Minneapolis, MN	Houston, TX	$2,420	$26.68	$0.73
	St. Louis, MO	Houston, TX	$2,245	$24.75	$0.67
	South Central, ND	Houston, TX	$3,709	$40.88	$1.11
	Minneapolis, MN	Portland, OR	$4,198	$46.27	$1.26
	South Central, ND	Portland, OR	$4,198	$46.27	$1.26
	Northwest, KS	Portland, OR	$4,266	$47.02	$1.28
	Chicago, IL	Richmond, VA	$2,002	$22.07	$0.60
Corn	Chicago, IL	Baton Rouge, LA	$2,510	$27.67	$0.70
	Council Bluffs, IA	Baton Rouge, LA	$2,440	$26.90	$0.68
	Kansas City, MO	Dalhart, TX	$1,965	$21.66	$0.55
	Minneapolis, MN	Portland, OR	$3,600	$39.68	$1.01
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.50
	Columbus, OH	Raleigh, NC	$1,700	$18.74	$0.48
	Council Bluffs, IA	Stockton, CA	$3,606	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,455	$27.06	$0.74
	Council Bluffs, IA	Baton Rouge, LA	$2,455	$27.06	$0.74
	Minneapolis, MN	Portland, OR	$3,610	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.54
	Chicago, IL	Raleigh, NC	$2,391	$26.36	$0.72
Shuttle Train*					
Wheat	St. Louis, MO	Houston, TX	$1,895	$20.89	$0.57
	Minneapolis, MN	Portland, OR	$3,898	$42.97	$1.17
Corn	Fremont, NE	Houston, TX	$2,665	$29.38	$0.75
	Minneapolis, MN	Portland, OR	$3,450	$38.03	$0.97
Soybeans	Council Bluffs, IA	Houston, TX	$2,785	$30.70	$0.84
	Minneapolis, MN	Portland, OR	$3,410	$37.59	$1.02

*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8--Tariff rail rates for U.S. bulk grain shipments to the U.S.-Mexico border

Effective date: 6/6/2005	Origin state	Border crossing region	Train size	Rate/car [1]	Rate/metric ton	Rate/bushel**
Wheat	KS	Brownsville, TX	Shuttle	$2,851	$29.13	$0.79
	ND	Eagle Pass, TX	Shuttle	$5,399	$55.17	$1.50
	OK	El Paso, TX	Shuttle	$2,264	$23.13	$0.63
	OK	El Paso, TX	Unit	$2,432	$24.85	$0.68
	AR	Laredo, TX	Unit	$2,383	$24.35	$0.66
	IL	Laredo, TX	Unit	$3,188	$32.57	$0.89
	MT	Laredo, TX	Shuttle	$4,190*	$42.81	$1.16
	TX	Laredo, TX	Shuttle	$1,993*	$20.36	$0.55
	MO	Laredo, TX	Shuttle	$2,731	$27.90	$0.76
	WI	Laredo, TX	Unit	$3,405	$34.79	$0.95
Corn	NE	Brownsville, TX	Shuttle	$3,104	$31.72	$0.80
	NE	Brownsville, TX	Unit	$3,645*	$37.24	$0.95
	IA	Eagle Pass, TX	Shuttle	$3,334	$34.07	$0.86
	MO	Eagle Pass, TX	Shuttle	$3,040*	$31.06	$0.79
	NE	Eagle Pass, TX	Shuttle	$3,440*	$35.15	$0.89
	IA	Laredo, TX	Unit	$3,258	$33.29	$0.84
Soybean	IA	Brownsville, TX	Shuttle	$2,880	$29.43	$0.80
	MN	Brownsville, TX	Shuttle	$3,176	$32.45	$0.88
	NE	Brownsville, TX	Shuttle	$2,688	$27.47	$0.75
	NE	Eagle Pass, TX	Shuttle	$2,765	$28.25	$0.77
	IA	Laredo, TX	Unit	$2,918	$29.82	$0.81

A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[1]Rates are based upon published tariff rates for high-capacity rail cars.

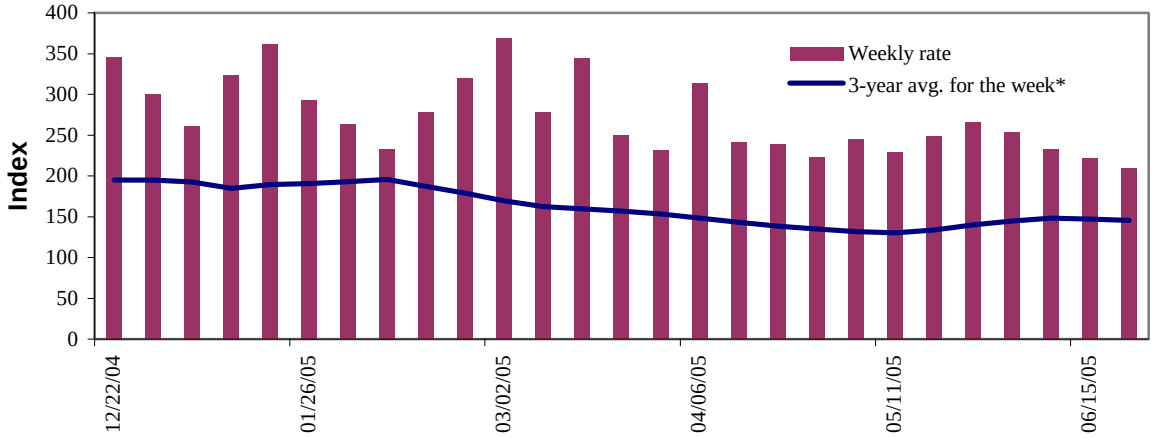
*High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Sources: www.bnsf.com, www.uprr.com

Barge Transportation

Figure 5
Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average
Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market** bids are indicators of grain transport supply and demand.

Table 9--Barge rate quotes: southbound barge freight

Location	6/22/2005	6/15/2005	July '05	Sept. '05
Twin Cities	279	284	290	341
Mid-Mississippi	229	231	249	320
Illinois River	209	221	233	319
St. Louis	157	173	190	306
Lower Ohio	162	162	193	319
Cairo-Memphis	156	161	184	301

Index = percent of tariff, based on 1976 tariff benchmark rate
Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam

Figure 6
Benchmark tariff rates

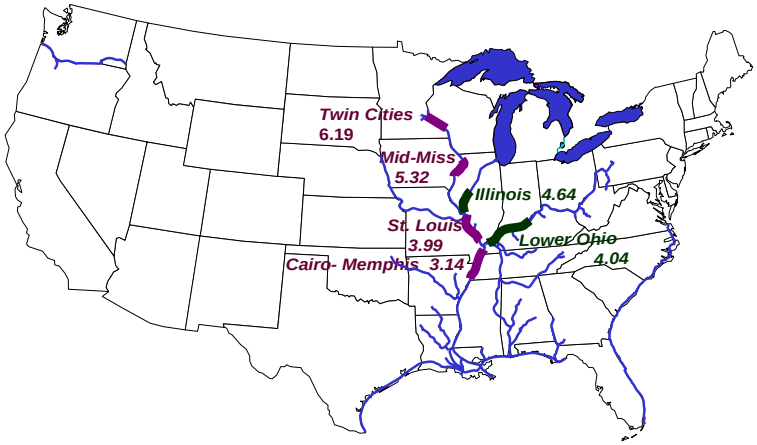
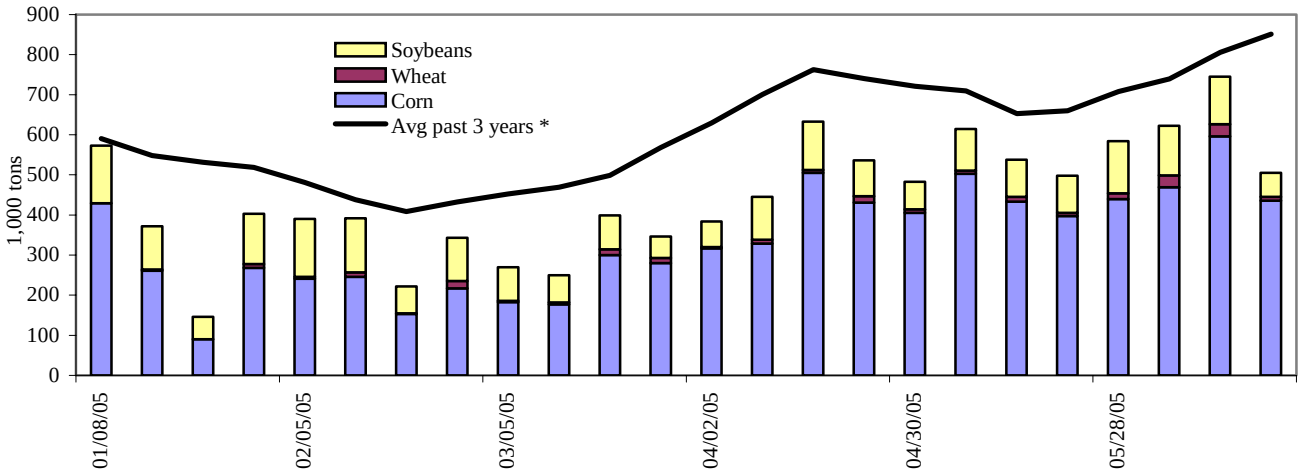


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)



* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

Week ending 6/18/2005	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	256	12	44	2	314
Winfield, MO (L25)	277	6	48	2	333
Alton, IL (L26)	460	9	60	2	531
Granite City, IL (L27)	436	9	60	2	508
Illinois River (L8)	156	3	25	0	184
Ohio River (L52)	27	2	15	8	51
Arkansas River (L1)	0	31	10	0	41
2005 YTD	10,131	756	3,658	333	14,877
2004 YTD	11,807	1,221	2,350	368	15,746
2005 as % of 2004 YTD	86	62	156	90	94
Total 2004	26,235	2,701	6,784	843	36,563

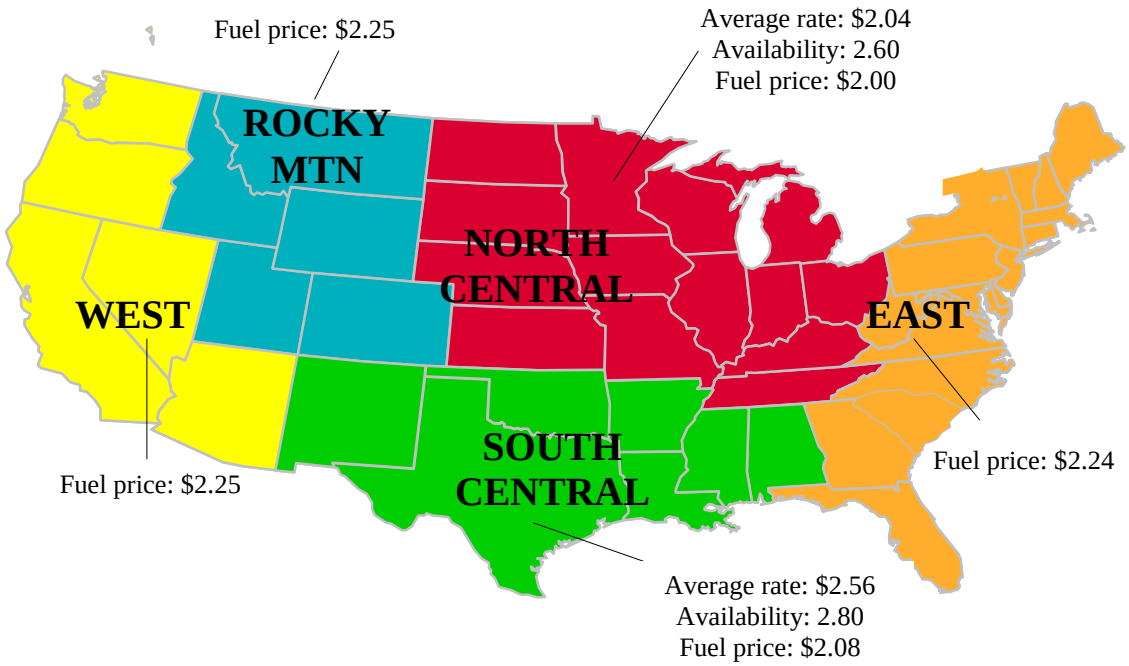
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1. "Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 1st quarter 2005*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles
Note: Fuel prices are a quarterly average (unit per gallon)
Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 1st quarter 2005

Region/commodity*	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
	Rate per mile			*Rating compared to same quarter last year* 1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average[1]	**2.91**	**1.96**	**1.73**	**2.6**	**2.6**	**2.9**
North Central region[2]	2.65	1.89	1.59	2.6	2.8	3.1
Corn	3.25	2.37	2.01	2.9	2.4	3.1
Wheat	1.52	1.44	1.39	2.6	2.9	2.9
Soybean	3.25	2.37	2.01	2.7	2.7	3.2
South Central region[2]	3.34	2.25	2.08	2.8	2.1	2.4
Corn	3.02	2.19	1.98	2.8	2.0	2.0
Wheat	3.13	2.18	2.08	3.0	2.3	2.7
Soybean	4.71	2.32	2.06	2.3	2.0	2.3

Rates are based on trucks with 80,000 lb weight limit
*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA
[1]National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.
[2]Commodity rates per mile include the average of the top 3 producing states within the region.
Source: Transportation and Marketing Programs/AMS/USDA

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 06/27/05 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.368	0.020	0.680
	New England	2.476	0.034	0.672
	Central Atlantic	2.461	0.010	0.685
	Lower Atlantic	2.318	0.022	0.679
II	Midwest	2.314	0.020	0.664
III	Gulf Coast	2.288	0.014	0.664
IV	Rocky Mountain	2.288	0.052	0.473
V	West Coast	2.433	0.042	0.464
	California	2.522	0.046	0.488
Total	U.S.	2.336	0.023	0.636

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending 1/	HRW	SRW	HRS	SWW	DUR	All wheat			
6/16/2005	1,630	245	1,300	483	117	3,775	5,650	1,344	10,769
This week year ago	1,770	1,511	1,494	846	157	5,778	7,524	935	14,237
Cumulative exports-crop year 2/									
2004/05 YTD	315	66	335	69	36	821	36,297	28,310	65,428
2003/04 YTD	586	76	349	171	27	1,209	38,492	23,287	62,988
2004/05 as % of 2003/04	54	87	96	40	133	68	94	122	104
2003/04 Total	12,697	3,785	6,928	4,889	1,053	29,353	47,704	24,102	101,159
2002/03 Total	6,896	2,899	6,645	3,517	720	20,677	39,646	28,908	89,231

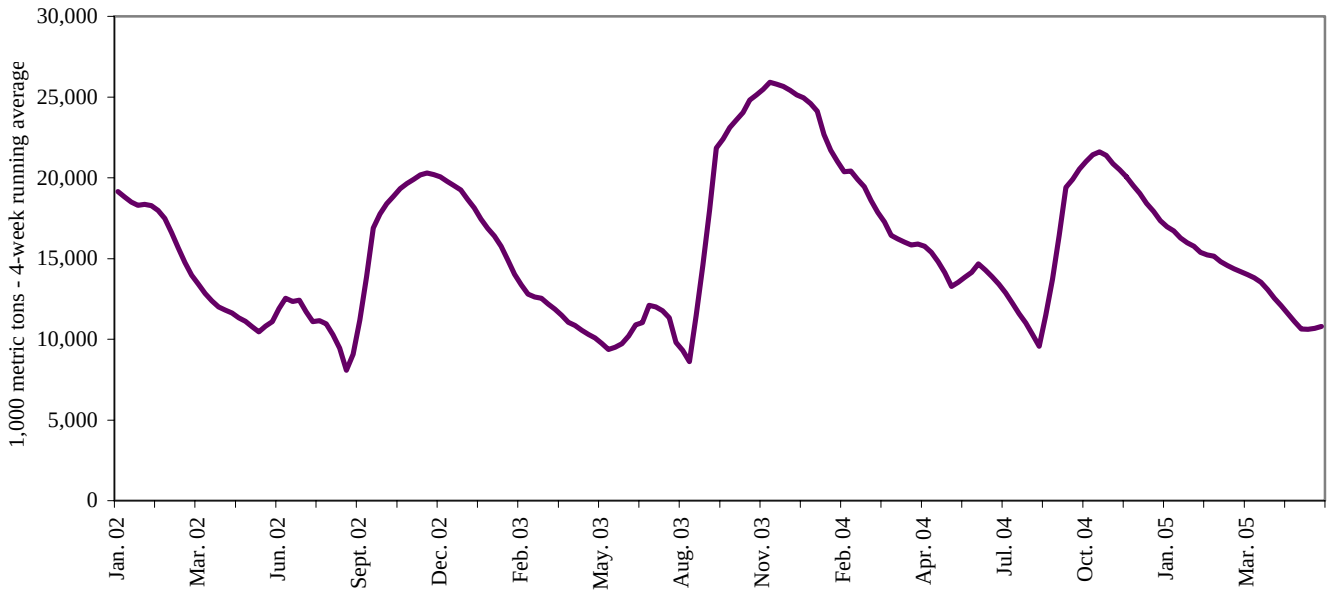
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current outstanding unshipped export sales to date

2/ = New crop year in effect for wheat

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balance, including wheat, corn, and soybean sales



Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

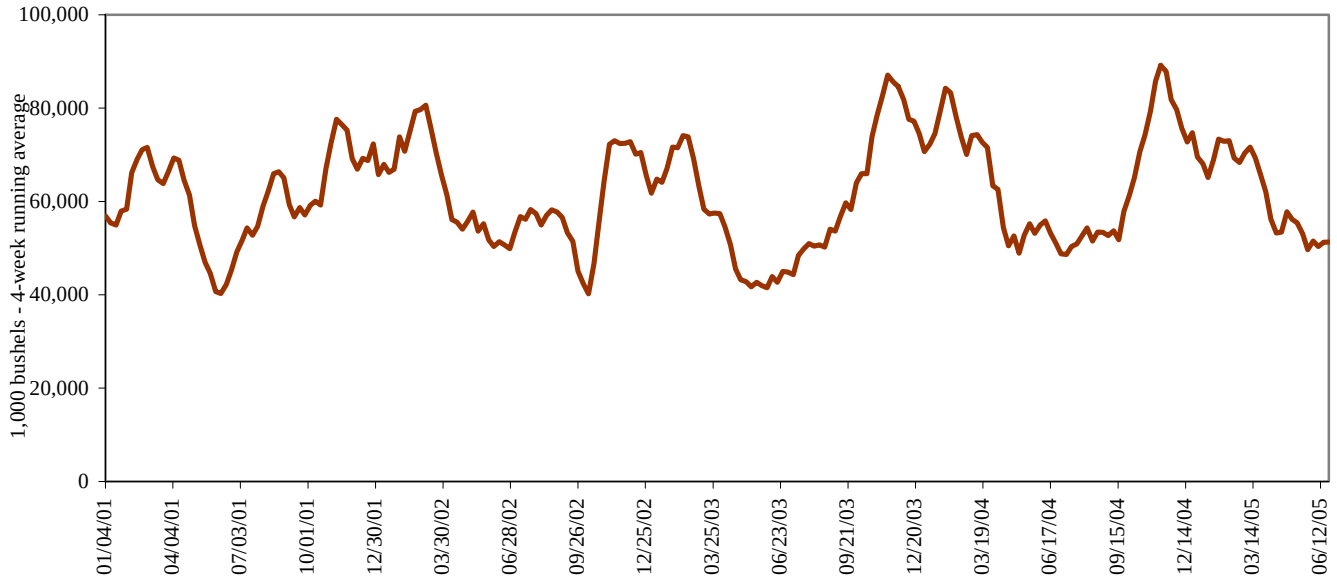
	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
Week ending	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
06/23/05	166	215	0	119	714	88	109	0	0	382	921	109
2005 YTD	4,947	4,711	3,282	2,566	13,327	8,014	2,826	275	6	12,940	23,907	3,107
2004 YTD	5,532	5,420	1,797	3,496	15,323	5,960	4,615	49	14	12,749	24,779	4,678
2005 as % of 2004	89	87	183	73	87	134	61	557	43	101	96	66
2004 Total *	12,121	9,741	4,753	7,154	32,851	15,540	7,936	131	23	26,615	55,546	8,089

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date; * includes 53rd week

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2004.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)



Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

Ocean Transportation

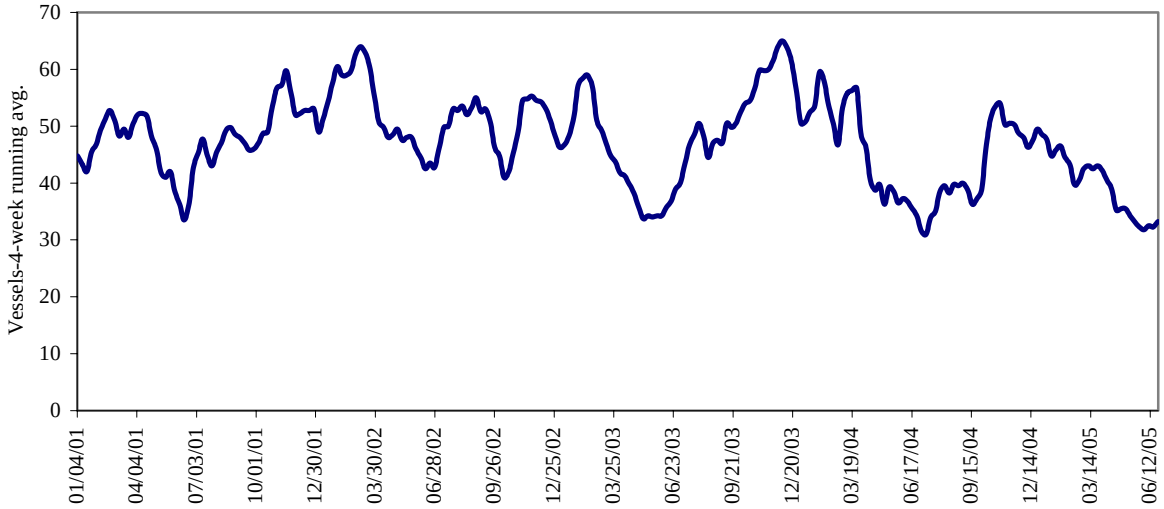
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
6/23/2005	17	39	42	6	8
6/16/2005	14	32	51	7	4
2004 range	(10..43)	(25..73)	(38..96)	(4..16)	(0..18)
2004 avg.	24	45	61	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

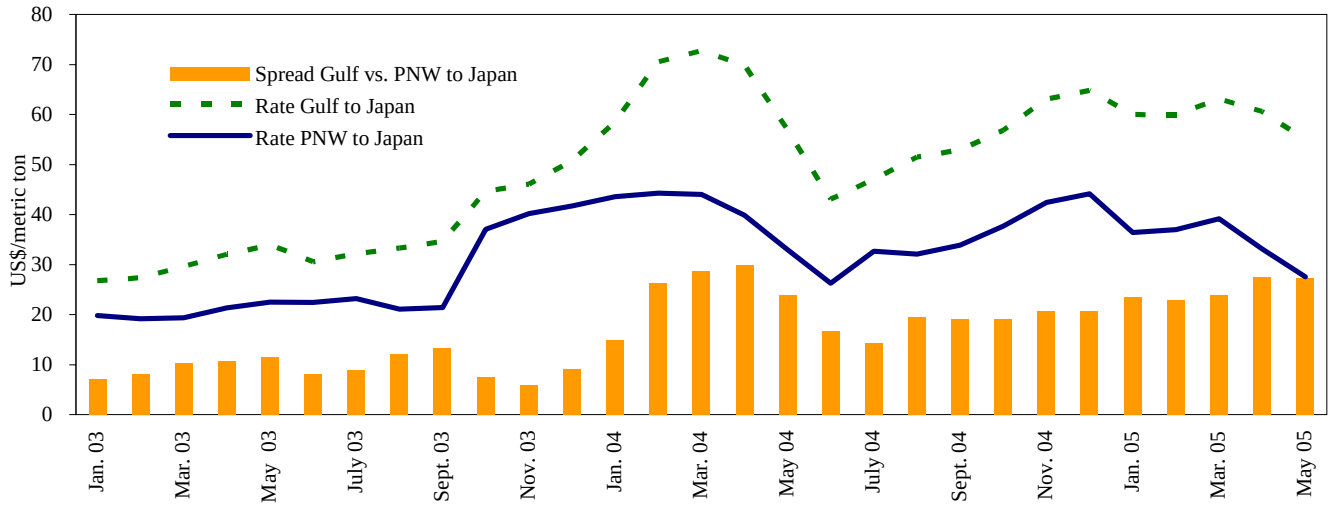
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US$/metric ton)

Countries/ regions	2005 1st qtr	2004 1st qtr	Percent change	Countries/ regions	2005 1st qtr	2004 1st qtr	Percent change
Gulf to				**Pacific NW to**			
Japan	$60.18	$73.75	-18	Japan	---	---	---
China	$57.50	$46.63	23				
Taiwan	---	$68.00	---	**Argentina/Brazil to**			
N. Africa	$48.00	$46.25	4	N. Africa	$59.25	$61.07	-3
Med. Sea	---	$46.50	---	China	---	---	---

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

Table 17--Ocean freight rates for selected shipments, week ending 06/25/05

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate ($/metric ton)
U.S. Gulf	Djibouti*	Wheat	Jun 1/10	22,740	89.29
U.S. Gulf	Ireland	Grains	Jun 13/17	20,000	32.50
U.S. Gulf	Algeria	Hvy Grain	Jun 10/15	25,000	42.50
U.S. Gulf	Egypt	Hvy Grain	Jun 25/27	65,000	27.00
St. Lawrence	S. Africa	Wheat	Jun 10/20	34,000	42.00
Great Lakes	Algeria	Hvy Grain	Jun 20/30	18,000	57.00
River Plate	Turkey	Soybean	Jun 1/8	20,000	49.00

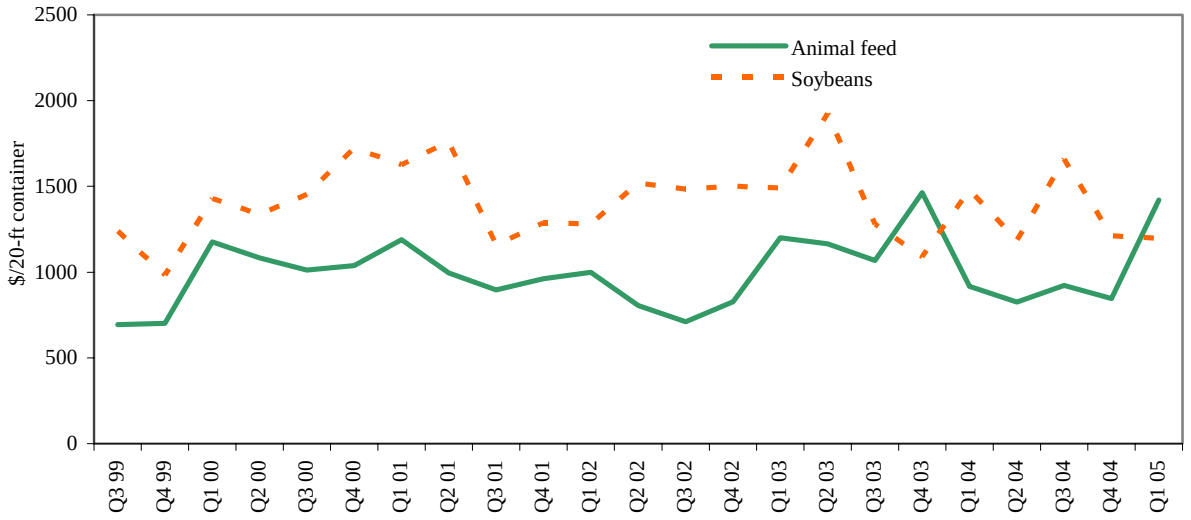
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates[1] for containerized shipments of animal feed and soybeans to selected Asian countries



[1]Animal Feed: Busan-Korea (22%), Kaohsiung-Taiwan (28%), Tokyo-Japan (38%), Hong Kong (9%), Bangkok-Thailand (3%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (81%), Tokyo-Japan (12%), Bangkok-Thailand (4%), Hong Kong (1%) Quarter 1, 2005.

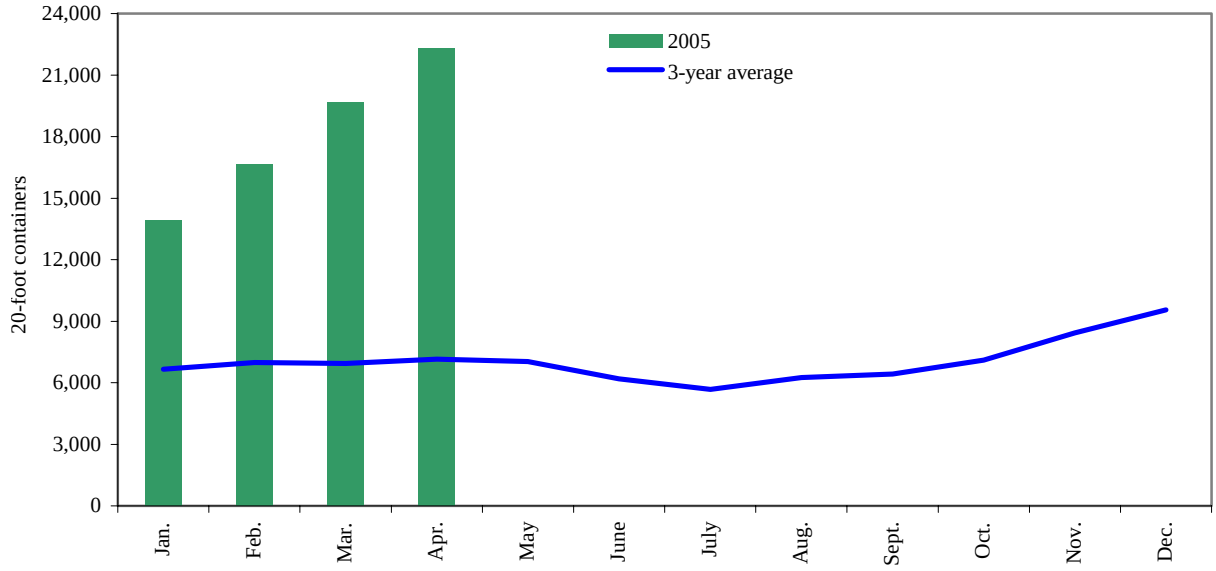
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

The percentage of U.S. grain exported in containers was 3 percent in 2004.

Figure 14

Monthly shipments of containerized grain to Asia for 2005 compared with a 3-year average

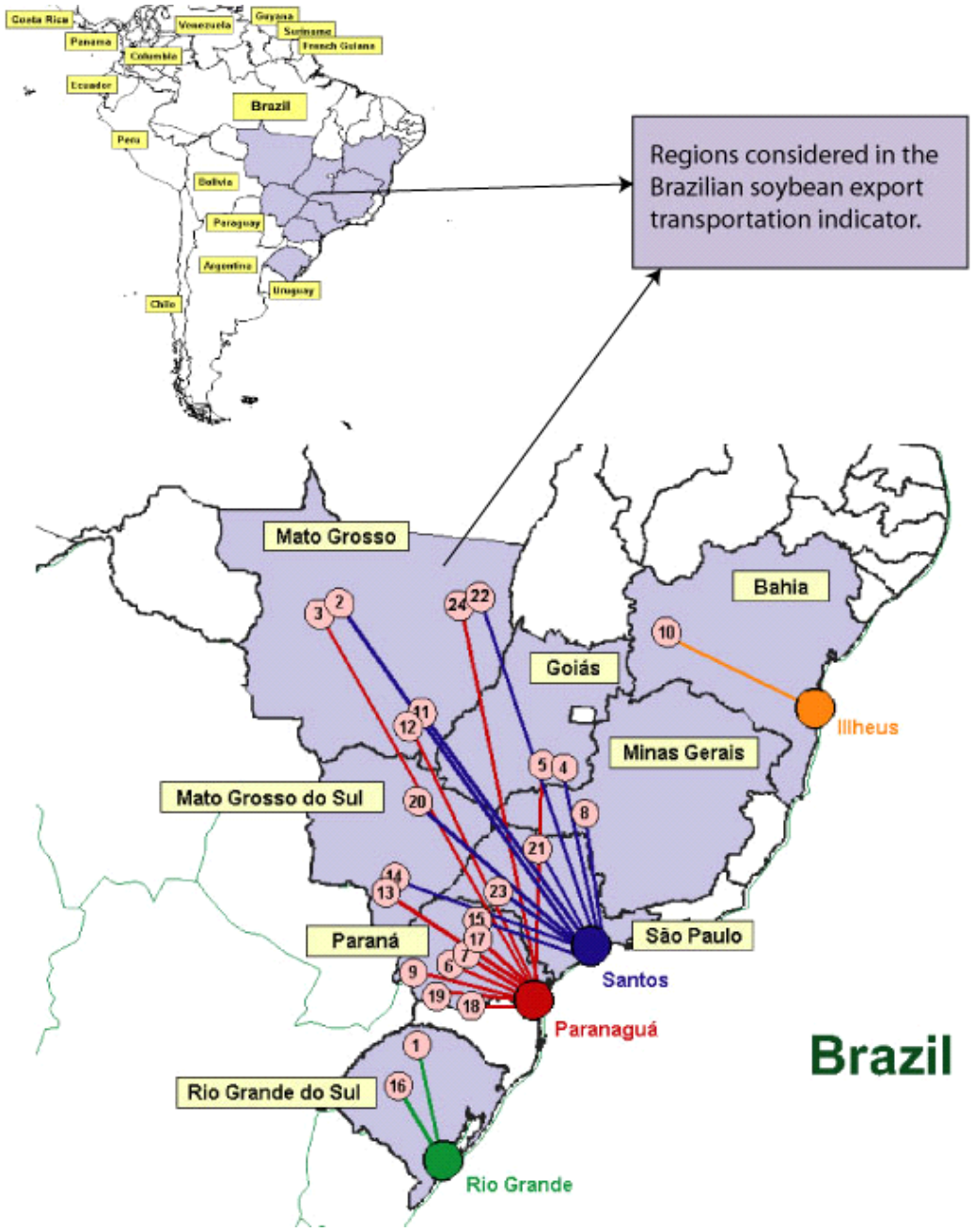


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: PIERS data is available with a lag of approximately 40 days

Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator[1]



[1]Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 1st quarter 2005

Route #	Origin[1] (reference city)	Destination	Distance (miles)[2]	Weight(%)[3]	Freight price (per 100 miles)[4]
1	Northwest RS[5](Cruz Alta)	Rio Grande	288	16.6	4.46
2	North MT(Sorriso)	Santos	1190	10.1	5.86
3	North MT(Sorriso)	Paranaguá	1262	9.5	5.54
4	South GO(Rio Verde)	Santos	587	7.0	4.40
5	South GO(Rio Verde)	Paranaguá	726	5.6	3.79
6	North Center PR(Londrina)	Paranaguá	268	4.4	7.19
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.22
8	Triangle MG(Uberaba)	Santos	339	3.8	7.28
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.83
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	6.53
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.18
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	6.22
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	5.78
14	Southwest MS(Maracaju)	Santos	652	2.9	5.84
15	West PR(Assis Chateaubriand)	Santos	550	2.5	6.18
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.03
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	6.00
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	10.20
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	8.39
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.39
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	6.38
22	Northeast MT(Canarana)	Santos	950	1.4	6.66
23	Assis SP(Palmital)	Santos	285	1.2	6.16
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	5.90
	Average		**626**	**100**	**5.67**

[1]Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

[2]Distance from the main city of the considered region to the mentioned ports

[3]The weight is directly proportional to the amount of production in each region

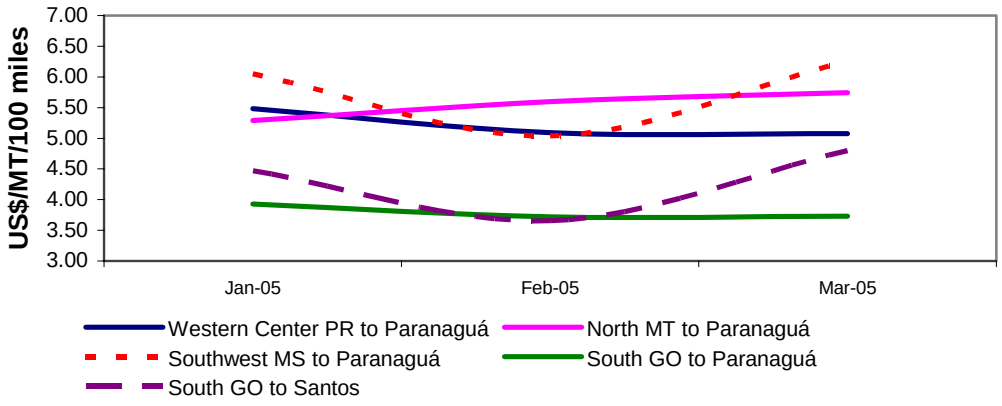
[4]US$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

[5]RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 16

Truck rates for selected Brazilian soybean export transportation routes



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

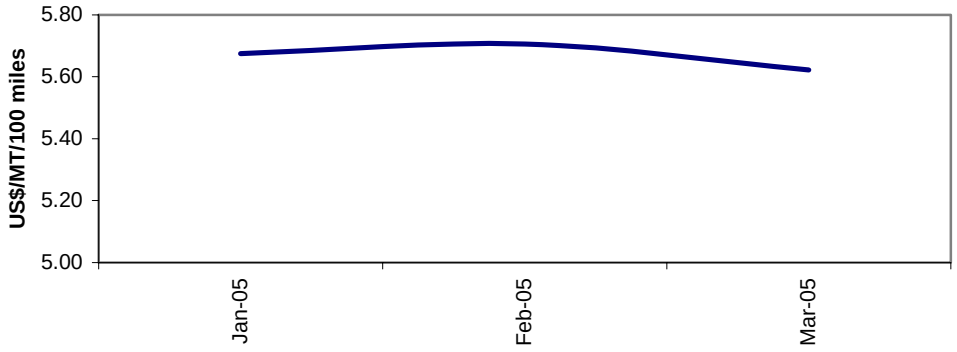
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08

*weighted average and quoted in US$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US$/metric ton)*

Ports	2005 1st qtr
Santos	$45.53
Paranagua	$44.64
Rio Grande	$44.20

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

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Related Websites

Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp